

Message Text

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71

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 SAM-01 SAJ-01 NIC-01 IO-14 EB-11 TRSE-00

OMB-01 DRC-01 /130 W

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R 251604Z JUN 74

FM AMEMBASSY SOFIA

TO SECSTATE WASHDC 8200

INFO AMEMBASSY BELGRADE

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY WARSAW

USEC BRUSSELS

OECD PARIS

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E.O. 11652 N/A

TAGS: EGEN, BU, XH, COMECON

SUBJECT: CEMA COMMUNIQUE AT END OF 28TH SESSION

REF/ SOFIA 1032

1. SUMMARY. COMMUNIQUE ISSUED AT CLOSE OF CEMA JUBILEE SESSION JUNE 21 WAS ROUTINE FOR SUCH OCCASIONS AND RELATIVELY UNINFORMATIVE. ECONOMIC INTEGRATION AND ENERGY WERE EMPHASIZED, BUT CONTRARY TO EXPECTATIONS NO MENTION WAS MADE OF THE CONVERTIBLE RUBLE. ECONOMIC ASSISTANCE TO THE LESS DEVELOPED CEMA MEMBERS WAS ONLY LIGHTLY TOUCHED UPON, AND ROMANIA'S ABSENCE ON THE LIST OF THOSE ENDORSING THE "REGULATION FOR THE STANDARD OF CEMA" (SIC) AGREEMENT WAS INDICATIVE THAT, DESPITE THE COMMUNIQUE'S CLOSING WORDS,

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"COMPLETE UNANIMITY" WAS IN ACTUALITY LACKING. END

SUMMARY.

2. THE TWO AREAS MOST FREQUENTLY MENTIONED IN THE COMMUNIQUE ISSUED FOLLOWING THE CLOSE OF CEMA'S JUBILEE SESSION ON JUNE 21 WERE SOCIALIST ECONOMIC INTEGRATION OF THE MEMBER COUNTRIES AND ENERGY. IN BOTH CASES, HOWEVER, DEVELOPMENT WAS LESS THAN FAR-REACHING AND IT APPEARS LIKELY THAT MOST OF THE MORE CONTENTIOUS ISSUES HAVE GONE BACK TO THE DRAWING BOARD.

3. WHILE THE CONCEPT OF SOCIALIST ECONOMIC INTEGRATION WAS STRONGLY EMPHASIZED DURING THE SESSION, THE COMMUNIQUE WAS LIMITED TO SUCH ITEMS AS FOUNDING OF NEW INTERNATIONAL ECONOMIC UNIONS AND ORGANIZATIONS AND THE ANNOUNCEMENT THAT THE FIRST STAGE OF COORDINATION OF NATIONAL ECONOMIC PLANS FOR THE PERIOD 1976-80 IS COMPLETED. THE "REGULATION FOR THE STAND OF CEMA" WHICH WAS NOT ENDORSED BY THE ROMANIANS IS ONLY VAGUELY DESCRIBED AS AN TREEMENT "IN PRINCIPAL" IN A NEW STAGE WHICH WILL DEEPEN COOPERATION AND SPECIALIZATION OF PRODUCTIMNHM

4. DEVELOPMENTS IN SOLVING "HEAT-ENERGY PROBLEMS" WERE ONLY SLIGHTLY MORE SUCCESSFUL. THE GENERAL AGREEMENT SIGNED ON THE ORENBURG NATURAL GAS PROJECT IS SOMEWHAT COUNTER-BALANCED BY THE PROPOSED COMMON POWER SYSTEM (FOR WHICH PREPARATORY WORK WAS APPROVED) TO BE COMPLETED BY THE ADVANCED DATE OF 1990. OTHER AGREEMENTS LISTED FOR ECONOMIC COOPERATION WERE IRON AND FERROUS ALLOYS, CHEMICALS, MACHINE BUILDING

, AGRICULTURE AND FOOD PRODUCTION, AND THE USE OF ATOMIC ENERGY FOR PEACEFUL PURPOSES. THE ATTENTION GIVEN ENERGY AND RAW MATERIALS DURING THE SESSION INDICATE THE IMPORTANCE PLACED ON THESE ITEMS AND THE COMMUNIQUE IMPLIES THAT NO SHORT-TERM SOLUTION WAS FOUND.

5. THE COMMUNIQUE DID NOT TOUCH ON THE SUBJECT OF TRANSFERABLE CURRENCY ON WHICH NO AGREEMENT APPARENTLY COULD BE REACHED. REFERENCES TO UNDEFINED "INITIATIVES" FOR ECONOMIC ASSISTANCE TO CUBA AND MONGOLIA WERE MADE IN PASSING, LIMITED OFFICIAL USE

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ALTHOUGH A JOINT DEVELOPMENT PROJECT FOR NICKEL DEVELOPMENT IN CUBA WAS ANNOUNCED. SIMILARLY TREATED WAS MULTILATERAL COOPERATION BETWEEN CEMA MEMBER COUNTRIES, OTHER COUNTRIES AND INTERNATIONAL ORGANIZATIONS. SOME INTERPRET THIS TO MEAN COOPERATION WITH THE EEC BUT IT IS CLEAR BILATERAL COOPERATION IS STILL THE PREFERENCE.

6. DESPITE THE FACT THAT THE COMMUNIQUE CLOSES BY STATING

THAT THE SESSION WAS CONDUCTED WITH "COMPLETE UNANIMITY",
THERE IS MUCH CIRCUMSTANTIAL EVIDENCE THAT THIS WAS ANY-
THING BUT THE CASE. REPORTEDLY THE FIRST TWO DAYS OF THE
SESSION WERE DEVOTED MERELY TO OBTAINING AGREEMENT BK
THE AGENDA, AND IT BROKE UP ON JUNE 21, HALF A DAY EARLIER,'(54100-4

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7 4. THE PRESS CONFERENCE WAS STILL HELD ON SCHEDULE
JUNE 22. THERE IS A GENERAL IMPRESSION THAT THE MEET-
ING WAS POORLY PLANNED AND EXECUTED.

7. FROM WHAT INFORMATION IS AVAILABLE IT SEEMS LIKELY
THAT THE SOVIETS ATTEMPT TO USE ITS ENERGY RESOURCES
TO OBTAIN GRETER INTEGRATION OF THE CEMA COMMUNITY
WAS MET WITH RESISTANCE, PARTICULARLY FROM THE RO-
MANIANS. INTERESTLY ENOUGH, THE YUGOSLAVS PLAYED AN
ACTIVE ROLE BY GIVING A MAJOR SPEECH, SERVING ON
COMMITTEES AND AGREEING TO CERTAIN INTERGRATION
MEASURES.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, DOCUMENTS, NUCLEAR ENERGY, MEETINGS, ECONOMIC INTEGRATION, RELATIONS WITH INTERNATIONAL ORGS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SOFIA01059
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740167-0462
From: SOFIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740615/aaaaamwa.tel
Line Count: 134
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2002 by izenbei0>; APPROVED <18 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CEMA COMMUNIQUE AT END OF 28TH SESSION
TAGS: EGEN, BU, XH, COMECON, CEMA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005